This record is a partial extract of the original cable. The full text of the original cable is not available.

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TAGS: <u>EAID PREL PGOV</u> <u>AF IT AFGHANISTAN</u>
SUBJECT: GOI: BUDGET CUTS WILL NOT REDUCE AFGHANISTAN

ASSISTANCE

REF: 05 STATE 226670

11. (U) Summary. MFA Special Envoy to Afghanistan, Ambassador Anna della Croce told Charge January 3 that Italy will not allow budget cuts to affect its Berlin pledge of 145 million euros through end-2006. Della Croce expects a decision on GOI participation in the Afghanistan Compact next week. End summary.

Holding the Line on Pledging

(U) Charge contacted della Croce January 3 to make reftel demarche. Della Croce told Charge that, despite dramatic cuts to its economic assistance budget, the GOI will fulfill commitments made in Berlin for 145 million euros over three years. However, the GOI cannot make financial commitments beyond those made at Berlin because of a 28 percent cut in its economic assistance budget. (A cable on the budget, passed December 22, will follow septel.) She was interested to hear our views of Afghan budgetary requirements for Afghan Fiscal Year 1385 (March 2006 - March 2007) and asked for details on what commitments the USG will make.

## GOI Participation at Compact

- (U) Della Croce was hopeful that FM Fini will lead the GOI delegation to the Afghanistan Compact and expects a decision by next week. She pressed the Charge for details on USG participation at the Compact and expressed disappointment that delegations are limited to three delegates. The GOI found that larger delegations at the Berlin and Tokyo meetings facilitated lower-level coordination at, and after, the conferences. If Fini is unable to attend, the delegation will likely be led by MFA Undersecretary of State for Asia and Human Rights Margherita Boniver.
- $\P4$ . (U) Comment. It is significant that, in the face of dramatic budget cuts, the GOI remains committed to fulfilling its Berlin pledge. With the new budget just passed on December 22, the MFA is grappling with the implications of a 28 percent cut in economic assistance. We expect the GOI will be better positioned to evaluate the feasibility of new commitments to Afghanistan after cuts to other foreign aid programs are finalized. Embassy will follow-up with Ambassador della Croce later this week, and will provide updates on Italian delegation, etc. End Comment. BORG